



Frequently Asked Questions for Oil and Gas Rule Changes

Docket 20-0702-1401

Updated January 2015

Well Sites

Q: Why can't the land owner decide what type of fence should go around the well site?

A: The goal of the rule is to require adequate fencing to protect the well site, and keep out trespassers, wildlife and livestock. The design needs to meet those requirements while being acceptable to both land owners and operators.

Q: Why don't the rules require more regulation on the disposal of waste?

A: The Idaho Department of Environment Quality regulates the actual disposal of waste (i.e. drilling mud); however, operators are required to supply a plan for disposal which includes the permits from IDEQ. Idaho Department of Water Resource regulates Underground Injection Wells for liquid waste, which is primarily salt water.

Integration

Q: Why is the integration majority set at 55% of the mineral rights owners?

A: The Commission's job is to develop minerals, protect correlative rights and prevent waste. Setting the integration threshold at 55% allows the majority who want to develop to move forward while protecting the minority holder's rights to collect royalties.

Q: Isn't the government just taking my mineral rights if I don't want to participate?

A: No. You will be receiving the market value of what is extracted.

Q: If my mineral rights are leased will my mortgage company call my loan due immediately?

A: No. Mortgage lenders (FHA, Freddie Mac, Fannie Mae) have verified leasing mineral rights or drilling for minerals, oil or gas will **not** cause mortgage companies to accelerate a loan.

Well Treatments

Q: The website www.FracFocus.org is difficult to maneuver. Why can't IDL post the information on its website?

A: Most companies operate in multiple states. Having them report to a centralized database allows the public to go to one site to track a specific company or to track trends in various states. The Groundwater Protection Council is currently redesigning the FracFocus website to make it more user friendly.

Q: Why can't industry be required to list all ingredients rather than it being a systems approach of reporting?

A: Idaho Code (Title 9) protects specific formulations under proprietary information. A systems approach is a decoupling of trade names and percentages to allow for full disclosure of chemical ingredients, without the possibility of reverse engineering the proprietary blend.

Production Records

Q: Why can't production reports remain confidential indefinitely?

A: It is not standard practice in other states to keep the production reports confidential indefinitely. The majority of states immediately release production reports to the public. Two states keep the production reports confidential for six (6) months. Four states make the reports public immediately unless an operator requests confidentiality on a new well.

Gas Utilization/Gas Processing Facilities

Q: Why would a company flare? And why is a maximum of 60 days used in the rule?

A: Flaring is the controlled burning of natural gas and is frequently done during production testing, for safety, during emergencies and maintenance. Idaho will be one of the few states that charges royalties and tax if flaring goes beyond 14 days. The 60 day maximum is an industry standard many states are moving toward.

Q: Why is the notification to neighbors who are within a $\frac{1}{4}$ mile instead of within a $\frac{1}{2}$ mile?

A: When natural gas is flared, the particulates released into air dissipate to safe levels within a quarter mile radius of the flaring. That is why the quarter mile radius was chosen.

Tank Batteries (Holding Tanks)/Gas Processing Facilities

Q: Why is the setback from an existing structure, including water wells 300 feet? Why not 1000 feet?

A: Under HUD guidelines the minimum setback is 300 feet for existing construction. This distance will reduce the amount of noise and noticeable traffic during maintenance and daily operations.